

**Talbot County Economic Development Commission**  
**Key Lime Café, St Michaels, MD**  
**October 3, 2013 Meeting Minutes**

**Members Present:** Chairman, Walter E. Chase, Sr.; Vice Chairman, Ted Bautz; Ann Borders, Peter Dunbar, John General, Susie Hayward, Paul Makosky, Gerald O'Mara, Len Wendowski.

**Ex Officio Members Present:** John Craig, Shannon Dill, Erik Neil, Al Silverstein, Terenda Thomas and Barbara Viniar.

**Members Excused:** Geoff Oxnam

**Attendees:** Art Reeside, Laura Hiekes and Scott Warner

**Guest Speaker:** Haim Loran, interested in being considered for an appointment by the County Council to the Talbot County Economic Development Commission, provided an overview of his background and interests, as well as his thoughts on economic development and how he will be a valuable asset to the Commission. Mr. Loran currently serves on SCORE and has lived on the Eastern Shore for 20 years. The recommendation will be brought before the County Council.

Mr. Ron Forsythe, COO, Quality Health Strategies, was also interested in the ED Commission vacancy but was unable to attend the meeting due to increased responsibility and we hope to include him in the future. His interest will be kept in reserve.

**Call to Order:** The meeting was called to order at 8:07 a.m. by Chairman Walter Chase, at the Key Lime Café, located at 207 North Talbot Street, St Michaels, MD 21663. A quorum was present.

**Agenda and Minutes:** The Agenda for the October 3<sup>rd</sup> Commission Meeting was approved without any changes. The edits to the Minutes from the August 1, 2013 Commission meeting were approved without changes. The Minutes from the September 5<sup>th</sup> Commission Meeting was approved with the correction of Academy Art Museum's name.

**Correspondence to Commission:** The County government received a request from the Neighborhood Service Center to find space for food storage due to a sudden distribution change from the Maryland Food Bank. Bradley Gillis, Developer, Gillis Gilkerson, for Achievement Park, agreed to make 1,000 SSF area available for temporary food storage for the Neighborhood Service Center. This was a great act of support for the community and a letter of acknowledgement to Mr. Gillis from the Commission was recommended and approved.

The Commission received an update on the Easton Airport Control Tower status; the airport is considered "emergency" and the Control Tower contract staff will be retained for the time being. Airport Day, held on September 28<sup>th</sup> was a huge success with a huge turnout from the community and a variety of activities for all age groups. Charles Eser, Interim Director, Calhoon Marine Engineer's Beneficial Association (MEBA) Engineering School, proposed a letter be drafted to the US Delegation requesting support to not downsize the existing Maritime Fleet by 20 Flagged vessels which would greatly diminish US capacity and impact the livelihood of the MEBA School. Serious consideration is needed regarding security for our active ships, and more important to Talbot County, is retaining maritime labor, as well as full student enrollment at the MEBA School. Discussion of the Congresses Sequestration Plans ensued. The Commission voted in favor to support MEBA with a letter to the entire Delegation with County Council's approval.

## **Old Business:**

**The Director** summarized that we have completed the study with Sage Policy Group. At September's meeting, it was decided the ED Commission would have the resources to address three of the 16 recommendations with the FY 14 Budget. The first initiative is a change to the Talbot County Real Property Tax Incentive to provide more flexibility in using the program. The remaining two initiatives include improving the "Business Friendly" environment for development in Talbot County and identifying a Brand strategy for Talbot County that can be used by the county, towns and businesses to develop marketing initiatives. Presently two sub committees are needed: The Business Friendly Environment and a Branding/Marketing Group. This will take some effort and the Director expressed interest in hearing from the Commission on where they might be able to devote their time in accomplishing these tasks.

The trip to Poplar Island, on Friday the 13<sup>th</sup> was a success. A group of 12 guests attended the tour including representatives from the Eastern Shore Land Conservancy, Shore Health System, the USDA Rural Business Program and local business representatives. Two members of the ED Commissions, Ann Borders and Art Reeside, were also in attendance. The Office of Economic Development provides tours as an awareness of the work being conducted in environmental restoration and reclamation in Talbot County and the opportunity to attract new environmental based businesses.

Economic Development Week was proclaimed by the Talbot County Council in keeping with the Maryland Economic Development Association (MEDA) state wide program. The MEDA Conference was held on Tuesday, October 01 in Fredrick and focused on "Sense of Place" with 120 participants and Ed McMahon as keynote. Geoff Oxnam, VP Easton Utilities and ED Commission member attended the conference. A tour of two Easton industries was scheduled for October 4<sup>th</sup>, to support Economic Development Week; however they have been rescheduled for October 18<sup>th</sup>: Salisbury Pewter at 8:30 and Wildlife International at 10:00 am.

**New Business:** The Director brought the Real Property Tax Legislation, Bill 737, Property Tax Credit for Commercial Properties, to the ED Commission and the work that has been completed by her and the Vice Chairman Ted Bautz. They identified three counties for benchmarks on Real Property Tax incentives (Montgomery, Calvert and Howard) and drafted a recommendation for the ED Commissions consideration. Mr. Bautz used the benchmarks and delineated the benefits of each. Talbot County's current property tax, a \$2 million investment with 50 fulltime employees, has had zero use, since its inception and sits on the books. Each county has favored industries they want to target; some are attracting high-end jobs like the sciences. In reviewing the second hand out, the best practices in economic development, one of the trends, evolves jurisdictions looking at the definition of fulltime employment. Our major businesses are using fulltime contractors, vendors, consultants, tech jobs, and telecommuters to fill the work requirement. When we structure an incentive to attract businesses or help businesses expand, we need to consider how we modify our definitions. Like Calvert County, we want to be flexible, include land and equipment. Additionally, we have to ask ourselves, are we trying to attract new businesses? Mr. Bautz indicated that he is a strong proponent of taking care of who we have, a lower cost approach, retaining what we have, and growing equivalent positions. A discussion ensued regarding other taxes, impact fees, lifestyle attraction, and infrastructure attraction. Ms. Bethke reported that the changes to the Talbot County legislation do not require Maryland legislative approval, as previously believed, and does not require the Maryland Delegation to consider. County Manager, John Craig spoke on factors, pros and cons, regarding the bill and any changes. Ms. Bethke suggested we formulate the recommendations into a document and bring it back to the November ED Commission Meeting to review. Dr. Viniar, President, Chesapeake College, shared that our counties have the vocational-technological centers for students. "Employers need people to show up; people who want to learn and attend on-the-job training programs." Dr. Viniar indicated that there is no mobility in the job market, when people are in their 30's and ready to grow in their careers, there is virtually nowhere to

go and stay in the county. Chairman, Walter Chase brought up the circumstances of Black and Decker and Shore Health and how we lost a large number of manufacturing jobs and replaced them with healthcare positions. Mr. Wendowski, Easton Commission, reported we are out of balance between residential and commercial property taxes and we need to develop more commercial opportunities. Mr. Craig explained Talbot County's tax cap requirements and how this curtails the amount of resources available for development. The proposed recommendation for Talbot County Bill 737 would include a business investment threshold of \$1.5 Million vs. \$2 Million and the creation of 12 jobs vs. 50 jobs, to be eligible for consideration of a Real Property Tax credit, at the County Council's discretion. The ED Commission will review the final recommendation and propose updated legislation at their November meeting. The Director will review the recommendation with the County Council at the Quarterly Work Session which will be held October 22<sup>nd</sup> at the regularly scheduled Council meeting and bring comments back to the ED Commission.

The Director reported that there is interest from the Government and Defense Contractors for a meeting, which has been done for the past two years. A pre-meeting survey was recommended to go out to all the government contract employers to determine topics of interest. A proposed survey will be drafted for the November agenda. The Director has scheduled an update to the Annual Economic Analysis and hopes to have it completed for early 2014. The date of April 24<sup>th</sup>, for the Annual Business Appreciation Breakfast, was proposed as a suitable date for this event and everyone noted that the date worked, at this time, and that the Director should move ahead with identifying a speaker and making a room reservation. We have suggested to the Talbot County Office of Tourism that we find opportunities to expand the venue to include tourism businesses as well. Many of the Towns have economies that are tourism focused.

**Chairman's Report:** **Walter Chase, Commissioner Town of Trappe** reported that on October 5<sup>th</sup> Trappe is having Trappe Oktoberfest 10:00 am till 5:00 pm and that Nace's Day will be celebrated on October 12<sup>th</sup> with a program that begins at 8:30 a.m. at Scott's Church and the parade will start at 1:00 p.m. Commissioner Chase attended the September 17<sup>th</sup> Talbot County Council meeting with the Towns where they discussed the Strategic Plan Recommendations and Flood Plain Maps. Mr. Chase also attended the September 18<sup>th</sup> Mid-Shore Regional Council meeting and he attended the Chamber's Annual Awards Dinner, September 24<sup>th</sup> at Harbortown in Martingham.

**Director's Report:** Retention visits were made to Orion Safety Products, as well as Aphena Pharma, which was also visited by the DBED representative. The Director is working with an engineering firm to put aside land for expansion in Easton and provided record information. The Director met with the VP, M&T Bank, Heather Bacher-Smith and Gene Malone, Jr. Regional Office Manager. University of Maryland MIPS representative visited with Quality Health Strategies to discuss new product development and partnerships, as they have some products they want to develop; a retention visit was made to K-9 Carts, an Oxford based manufacturer, and referred them to SCORE for new product and business plan development. Dependable Sand and Gravel came to the Planning Commission to expand for recycling construction materials that can be reapplied for the agriculture community. The Planning and Zoning Commission is working with Coastal Smart, regarding a survey that allows for identification of flood plain management for insurance purposes. The County Planning and Permits Office is also recommending new zoning criteria for the villages. The Planning Commission heard a request to edit the 300 sq. ft. requirement for commercial and industrial storage and expand the square footage so that a major site plan review is not required. They have benchmarked the criteria with other counties and found that Talbot County is overly restrictive. The Talbot County Office of Economic Development is co-sponsoring Waterfowl Breakfast again this year at the Waterfowl Chesapeake Pavilion, on Friday, November 8<sup>th</sup> at 9:00 am. All are invited to participate and network with environmental and conservation businesses.

The ED Office is working with Jason Mullen, ABE-GED Program Coordinator, Chesapeake College Adult Learning Academy to set up ABE-GED program on Tilghman Island. The Easton Rotary is hosting a Career Fair at the High School on November 19<sup>th</sup>.

**Member Activity Reports:** **Dr. Viniar, President Chesapeake College:** reported they are hosting students and teachers from China through the exchange program that has been established. The new head of the Province of Zhejiang is coming, as well as the President of College and they are working on a formal agreement to have students from China come here to participate with the Early Childhood Program. The College is advertising for a Vice President for Institutional Advancement, which requires marketing, fund raising and community relations. The ground breaking for Health Professions and Athletic Center is on December 4<sup>th</sup> at 3:00 pm. Fifty contractors had signed up for the project. The College is preparing for their legislative agenda regarding performance based funding which provides for a formula base for funding community colleges but every year the colleges are re-based, taking a portion of that funding away. The College has not had a raise from the surrounding counties in five years. **Ted Bautz, Vice Chairman, Business Community:** reported a general observation on the business climate that includes more options being explored in the months of August and September for commercial development and expansion. There has been absorption of small office spaces and rental vacancies are beginning to evaporate. **Shannon Dill, Agriculture:** reported a record corn harvest this year. They are in the middle of taking corn samples. The Talbot County Corn Club is 62 years old. Prices for corn have gone down from last year. Beans are coming up slowly, yet there is still a positive outlook. The planes we have heard recently were spreading cover crop, small grain; they were not spraying anything suspicious. They have a deadline when they need the land completely seeded. The Federal closure has a USDA office closed, and the farm bill is still not approved. They have many programs coming up this fall. Additional information is online at the University of Maryland Extension Service website. **Dr. Viniar** interjected that the present government shutdown has a significant impact on resources for many offices at the College in that the federal programs are funded, but the staff has been put on notice to not report. Classes that are ready to start may not have the funding because nobody is in Washington to cut checks or answer questions. **Peter Dunbar, Commissioner, Town of Oxford:** reviewed a recent article on solar panels in Oxford, which was reasonable, but left out critical information. The aggregation for the solar contract is 19 non-profits on account which will be incorporating public utilities, churches, the fire hall, the community center and several others. This is in its very early phase of exploration but may be a good solution for Oxford. They are working with support from Maryland Finance Authority, regarding recommendations to develop a storm water utility. Oxford does not have a large enough town tax-base structure to maintain their system within the state. There are significant storm water issues and this is an attempt to identify issues in order to finance various projects, which will open up several grant opportunities. **Al Silverstein, Executive Director, Chamber of Commerce:** reported working with the Workforce Investment Board to organize the Mid Shore Job Fair, which was a huge success. Talbot County Community Center (TCCC) hosted the event and there were 390 people registered looking for jobs; there were 42 businesses looking for hires. There are 550 jobs open on the Mid-shore, some very specific, others just need people to show up. The Temporary Employment Agencies are finding it harder to find qualified workers. The Economic Symposium will be held on Wednesday, October 23<sup>rd</sup> at the Tidewater Inn at 8:30 am and features Gary Keith, M&T Bank and Anirban Basu, Sage Policy Group who will speak to the national and local economy. Jay Stammerro, from KONSYL Pharmaceutical, a member of the Talbot County Chamber of Commerce Board of Directors, took a job in Chestertown. SCORE has new member, John Frankie, who is serving as the local Coordinator which has expanded services to Cambridge, Salisbury and Ocean City as part of their territories. **Erik Neil, Executive Director, Academy Art Museum:** reported they are having a wonderful reception for The Wye House exhibition and it has gained statewide recognition. The Sixteenth Annual Academy Art Museum Craft Show and Fine Arts Marketplace is coming to the Museum and Waterfowl Festival Building on the 19th and 20th of October, 2013 and is a major fund raiser for the Academy. This Saturday is First Saturday Gallery Walk in Easton.

**Susie Hayward, Residential Real Estate** reported that residential real estate had a slower season, yet still doing well. The Real Estate figures for September 2013 follow:

	For Sale	Sold
Talbot	681	48
Easton	351	22
Trappe	49	2
St. Michaels	94	7
Oxford	54	3
Tilghman	41	5

It seems the higher-priced homes, over \$2 million, are not selling as they have in the past, not only in Talbot County, but all over the east coast. It appears that the trend is shifting as investors are buying in cities. It has been noted that investors are able to buy three or four places, in different locations, for the price of one waterfront home. First time homebuyers are buying and lower priced homes are doing well. Additionally, foreclosures and short sales are in a position to buy again. We are continuing to come out of the slump.

**Ann Borders, Commissioner, St Michaels:** reported Flamingo Flats was able to remediate the gas wells underneath the parking lot and sidewalk in front of their establishment. The tourist season in St. Michaels continues into fall with several events planned for October through to Christmas in St Michaels.

**John General, Small Business Representative:** received notification from Maryland, that the Delmarva Transportation System was awarded level funding for public transit. John General asked that the ED Commission review the Comprehensive Economic Development Strategy (CEDS) for the region and the county next month as prepared by the Mid-Shore Regional Council. The Director will make sure the issue is placed on the Agenda and look for more information to share. **Scott Warner, Executive Director,**

**Mid-Shore Regional Council:** announced the Rural Maryland Council Assembly, at the Ripken Stadium will be held in Harford County on October 16<sup>th</sup> thru October 18<sup>th</sup> and this event represents a rebirth of the rural summit. <http://www.rural.state.md.us>. **Len Wendowski, Commissioner, Town of Easton:**

reported the Shore Regional Health has made no further progress to advance the Regional Medical Campus project. The Mayor's Prayer Breakfast will be held on October 25<sup>th</sup> and tickets are still available. A presentation about how Black Historic Architecture has figured prominently in various places will be presented at the Avalon on Thursday at 5 pm. The presentation has been arranged by Professor Dale Green who has been working on the Hill Project. The Hill, in Easton, has been identified as the oldest free black community in the US. **Gerald O'Mara, Agriculture:** added that we are not to worry about the cover crop.

The spreading covers a great deal of land and keeps the soil in place during winter months. The Corn Club is a great program and is the oldest Corn Club the United States. Shannon has done a great job organizing. The Maryland Farm Bureau, in cooperation with the Florida Farm Bureau, has an order form for citrus, nuts and gift packs (form attached). The order will be delivered by tractor-trailers early in December. We will receive a call regarding date, time and location for pick-up. Mark Twain said, "Put all your eggs in one basket, but keep your eyes on that basket." **Laura Hiekes, Talbot Bank,** indicated that she was happy to be at the meeting as a community member. Talbot Bank is a member of the Corn Club. Additionally, Talbot Bank is keeping their branch in St Michaels. **Terenda Thomas, DLLR, Labor Exchange Administrator,**

**Workforce:** reported Maryland Department of Labor, Licensing and Regulation (DLLR) is continuing their collaboration with the libraries to help job seekers get the resources they need. Many employees have no internet use and can use the library free of charge. DLLR's representatives use the data to personally assist both employers and employees. In the last couple of weeks, they met with employees who are being displaced from Sotera; approximately 20-23 people were informed their jobs were ending a week ago. If additional jobs end, it will happen again later this year. The Director has been attempting to meet with the new General Manager for a retention visit. The Maryland Workforce Exchange (<https://mwejobs.maryland.gov>) and labor market information are available online and if you have any problems call Art Reesdie, the Talbot County Job Developer. A grant was received to purchase laptops intended for training.

The meeting was adjourned at 9:42. Meetings are held at 8:00 a.m. on the first Thursday of each month. The meetings are open to the public. **The next Economic Development Commission Meeting will be held on November 7<sup>th</sup> at the Oxford Community Center, located at 200 Oxford Road, Oxford, MD at 8:00 a.m.**